

RETAIL - Kmart is closing 3 area stores - Commercial Appeal, The (Memphis, TN) - June 2, 1995 - page B4
June 2, 1995 | Commercial Appeal, The (Memphis, TN) | Laurel Campbell The Commercial Appeal Staff reporter Clay Bailey contributed to this story. | Page B4

Kmart Corp. will close three Memphis-area stores this year, the company said Thursday. The three are among 72 stores nationwide that are performing poorly and are slated for closure beginning in late August.

The three - on Getwell in Memphis, in Millington and in Collierville - together employ about 240 people.

Kmart previously announced that three other Memphis-area **Kmart** stores will close Sunday to make way for Monday's opening of Super **Kmart** Centers on Winchester at Germantown Extended and in Southaven. In August, another two **Kmart** stores will close when a Super **Kmart** opens on Austin Peay at Coleman.

By year's end, the only remaining traditional **Kmart** discount store in the Memphis area will be the one on Summer Avenue. Super Kmart stores are larger and combine groceries with general merchandise.

"**Kmart** is trying to redo the Memphis market with the format of the future for them, the superstore," said retailing analyst Craig Weichmann of Morgan Keegan & Co.

Kmart has had nine consecutive quarters of disappointing earnings as it battles intense competition from rivals such as Wal-Mart Stores Inc. and the Target chain of Dayton-Hudson Corp. The company reported a \$28 million loss in the first quarter of this year.

Under pressure from stockholders, **Kmart's** board ousted chief executive officer Joseph Antonini in March. No successor has been named.

The Shelby County store closings announced Thursday are part of **Kmart's** continued restructuring. The retail chain closed or relocated 120 stores last year, eliminating about 5,800 jobs.

The Memphis-area hourly workers will receive lump-sum payments of \$100 to \$1,000, based on years of service, to remain on their jobs until the closures. Managers will receive severance packages that include one year of salary, a year of medical benefits and six months of career counseling.

The Collierville store opened in November 1991 as part of The Market on Poplar. Managers at the store declined comment on the closing, referring all questions to **Kmart** corporate headquarters in Troy, Mich.

Collierville officials learned of the pending closing Thursday morning when a letter from the company was delivered to Town Hall.

City Administrator Steve Schertel said officials had been concerned about the store.

"Anytime you went in the store, it wasn't as crowded as we would have liked for it to have been," he said.

But town officials also believe if **Kmart** executives had been patient, they could have realized a traffic bonanza later in the year.

Collierville is extending White Road west from Byhalia Road to Market, which runs on the west side of the center. When completed, Schertel said, commuters from the north side of Collierville could use White as an alternative to Poplar. White will end at Market, so the traffic will go behind the location and on its west side.

Paul Piper of York-CIOS Limited, owner of the shopping center, said **Kmart** has a 25-year lease on the location, and it will be up to the retail company to find a new tenant or continue to pay the monthly lease.

The **Kmart** stores slated to close Sunday are on State Line Road at Interstate 55 in Southaven, on Winchester Road in the Hickory Commons shopping center and on Exeter in Germantown.

In August, **Kmart** intends to close its regular stores on Austin Peay and on **Overton** Crossing in Frayser.

Kmart operates nearly 4,000 stores worldwide.

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